

REMARKS

In the pending Office Action, the Examiner objected to claims 1, 8, 10-12, 17, 18, 22, 23, 26-31, and 33-36 due to informalities. Applicants have amended claims 1, 8, 10-12, 17, 18, 22, 23, 26-31, and 33-36 to correct the informalities identified by the Examiner.

The Examiner further rejected claims 10-21 under 35 U.S.C. § 112, second paragraph based on indefiniteness grounds. The Examiner also rejected claims 8, 9, 23-30, 33, and 34 under 35 U.S.C. § 103(a) as unpatentable over U.S. Patent No. 5,871,398 to *Schneider et al.* Finally, according to the Examiner, claims 1-7, 22, 31, 32, 35, and 36 would be allowable if rewritten or amended to overcome the outstanding objections, and claims 10-21 would be allowable if rewritten or amended to overcome the rejections under 35 U.S.C. § 112, second paragraph.

Applicants appreciate the Examiner's indication of the allowable subject matter in claims 1-7, 10-22, 31, 32, 35, and 36.

Section 112 Rejections

Claims 10-21 were rejected under 35 U.S.C. §112, second paragraph, as indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regards as the invention. By this Amendment, Applicants have amended claim 10 to correct a typographical error. As a result, claims 10-21 fully comply with 35 U.S.C. §112, second paragraph. Therefore, Applicants request that the section 112 rejections of claims 10-21 be reconsidered and withdrawn.

Section 103(a) Rejections

As to the rejections of claims 8, 9, 23-30, 33, and 34 under 35 U.S.C. §103(a), the Examiner must demonstrate that *Schneier* discloses or suggests each and every limitation recited in those claims to properly establish a *prima facie* case of obviousness under 35 U.S.C. §103(a). M.P.E.P. § 2143.03 (8th ed. 2001, revised May 2004). Such disclosure or suggestion must be found in the prior art — not based on Applicants' own disclosure. *Id.*, § 2131.

Schneier fails to disclose or suggest each and every limitation recited in claims 8, 9, 23-30, 33, and 34, as required by M.P.E.P. § 2143. Thus, the Examiner has not made *prima facie* case of obviousness.

Schneier discloses an off-line remote lottery system. The system enables players to purchase lottery game outcomes and view them on remotely disposed gaming computers. *Schneier*, Abstract. *Schneier's* players purchase game outcomes from a central management computer (CMC) 12, which keeps a record of each sold game outcome. *Schneier*, col. 6, lines 8-16. CMC 12 transfers those outcomes to a handheld ticket viewer (HTV) 20 for a redemption by a player. *Id.* CMC 12 keeps track of game outcomes assigned to each HTV 20. *Schneier*, col. 10, lines 2-4. After a player cashes out, an accounting routine 72 calculates and updates the cumulative value of each player winnings and losses. *Schneier*, col. 11, lines 23-32.

In contrast, independent claims 8, 23, 26-30, 33, and 34 recite adjusting an account of the player before the game play has begun. For example, claim 8 recites "adjusting, at the server, an account of the player based on the results of the plurality of

wagers before the game play has begun.” The Examiner argues that *Schneier* “obviously discloses updating individual account in order to continuously monitor the account’s balance.” Office Action of February 8, 2005, p. 5, lines 8-9. Applicants respectfully disagree. *Schneier*’s system calculates the cumulative value of player winnings and losses after a player has cashed-out (*Schneier*, col. 11, lines 27-31, emphasis added), not “before the game play has begun,” as claims 8, 23, 26-30, 33, and 34 recite. By disclosing adjusting of the player’s account as each outcome is revealed (*i.e.*, *Schneier*, col. 18, lines 30-34), *Schneier* teaches away from the present invention.

Because the Examiner has not shown that *Schneier* teaches or suggests every element of claims 8, 23, 26-30, 33, and 34 and the claims that depend therefrom, Applicants request the reconsideration and withdrawal of the section 103(a) rejections of claims 8, 9, 23-30, 33, and 34. Applicants also request reconsideration and reexamination of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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